

## 7.2 The Power Elite

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{Section under construction}

This section comprises of an annotated analysis of an excellent analysis of the [international power elite](#) by Peter Phillips and Brady Osborne from the excellent [project censored](#) that provides a yearly top 25 of the most underreported, but important news stories of the previous year.

Note: the foot notes in this article stem from the article itself. The references are added.

*By Peter Phillips and Brady Osborne*

In this study, we decided to identify in detail the people on the boards of directors of the top ten asset management firms and the top ten most centralized corporations in the world. Because of overlaps, there is a total of thirteen firms, which collectively have 161 directors on their boards. We think that this group of 161 individuals represents the financial core of the world's transnational capitalist class. They collectively manage \$23.91 trillion in funds and operate in nearly every country in the world. They are the center of the financial capital that powers the global economic system. Western governments and international policy bodies work in the interests of this financial core to protect the free flow of capital investment anywhere in the world.

### A Brief History of Research on the American Power Elite

A long tradition of sociological research documents the existence of a dominant ruling class in the United States, whose members set policy and determine national political priorities. The American ruling class is complex and competitive, and perpetuates itself through interacting

families of high social standing with similar lifestyles, corporate affiliations, and memberships in elite social clubs and private schools.

[10]

Long term, self-perpetuation. Defining quality: ability to set policy and determine political (and social) priorities.

The American ruling class has long been determined to be mostly self-perpetuating,[11] maintaining its influence through policy-making institutions such as the National Association of Manufacturers, the US Chamber of Commerce, the Business Council, Business Roundtable, the Conference Board, American Enterprise Institute for Public Policy Research, Council on Foreign Relations, and other business-centered policy groups.[12] These associations have long dominated policy decisions within the US government.

Institutes of disempowerment. This is however incomplete, also education, media/culture. Later in the same article

With money comes power, influence, and propaganda. BlackRock and numerous other banks and Wall Street institutions are financially backing groups like Parent Revolution and StudentsFirst, whose agendas are to privatize and subsequently corporatize the public school system.[13] The transnational capitalist class is laying the foundation for the privatization of the world. If public, democratic institutions—including schools, post offices, universities, the military, and even churches—become privately owned entities, then corporate interests will truly dominate. Then, we become neo-feudal societies where the reign of kings is replaced by private corporate ownership and the people serve as peasants.

In his 1956 book, *The Power Elite*, C. Wright Mills documented how World War II solidified a trinity of power in the US that comprised corporate, military, and government elites in a centralized power

structure motivated by class interests and working in unison through “higher circles” of contact and agreement. Mills described how the power elite were those “who decide whatever is decided” of major consequence.<sup>[14]</sup> These higher-circle decision makers tended to be more concerned with interorganizational relationships and the functioning of the economy as a whole, rather than with advancing their particular corporate interests.<sup>[15]</sup>

So expect individuals who combine influence in two or all three domains. Concerned with the question how to extract wealth from the economy instead of how to make money with particular corporations.

The higher-circle policy elites (HCPE) are a segment of the American upper class and are the principal decision makers in society. Although these elites display some sense of “we-ness,” they also tend to have continuing disagreements on specific policies and necessary actions in various sociopolitical circumstances.<sup>[16]</sup> These disagreements can block aggressive reactionary responses to social movements and civil unrest, as in the case of the labor movement in the 1930s and the civil rights movement in the 1960s. During these two periods, the more liberal elements of HCPE tended to dominate the decision-making process and supported passing the National Labor Relations and Social Security Acts in 1935, as well as the Civil Rights and Economic Opportunities Acts in 1964. These pieces of national legislation were seen as concessions to the ongoing social movements and civil unrest, and were implemented instead of instituting more repressive policies.

Mindset: competitive within ingroup. Liberal more associated with optimization of society as a whole.

However, during periods of threats from external enemies, as in World Wars I and II, more conservative/reactionary elements of the HCPE successfully pushed their agendas. During and after World War I, the United States instituted repressive responses to social movements, for example through the Palmer Raids and passage of the Espionage Act of

1917 and the Sedition Act of 1918. After World War II, the HCPE allowed and encouraged the McCarthy-era attacks on liberals and radicals and, in 1947, passage of the National Security Act and the anti-labor Taft-Hartley Act. In the past twenty-five years, and especially since the events of 9/11, the HCPE in the US has been united in support of an American empire of military power that maintains a repressive war against resisting groups—typically dubbed “terrorists”—around the world. This war on terror is much more about protecting transnational globalization, the free flow of financial capital, dollar hegemony, and access to oil, than it is repressing terrorism. Increasingly, the North Atlantic Treaty Organization (NATO) is a partner with US global dominance interests.<sup>[17]</sup>

More conservative/authoritarian mode

## The Transnational Capitalist Class

Capitalist power elites exist around the world. The globalization of trade and capital brings the world’s elites into increasingly interconnected relationships—to the point that sociologists have begun to theorize the development of a transnational capitalist class (TCC). In one of the pathbreaking works in this field, *The Transnational Capitalist Class* (2000), Leslie Sklair argued that globalization elevated transnational corporations (TNC) to more influential international roles, with the result that nation-states became less significant than international agreements developed through the World Trade Organization (WTO) and other international institutions.<sup>[18]</sup> Emerging from these multinational corporations was a transnational capitalist class, whose loyalties and interests, while still rooted in their corporations, was increasingly international in scope. Sklair wrote:

The transnational capitalist class can be analytically divided into four main fractions: (i) owners and controllers of TNCs and their local affiliates; (ii) globalizing bureaucrats and

politicians; (iii) globalizing professionals; (iv) consumerist elites (merchants and media)... It is also important to note, of course, that the TCC and each of its fractions are not always entirely united on every issue. Nevertheless, together, leading personnel in these groups constitute a global power elite, dominant class or inner circle in the sense that these terms have been used to characterize the dominant class structures of specific countries.[\[19\]](#)

William Robinson followed in 2004 with his book, *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*.[\[20\]](#)

Robinson claimed that 500 years of capitalism had led to a global epochal shift in which all human activity is transformed into capital. In this view, the world had become a single market, which privatized social relationships. He saw the TCC as increasingly sharing similar lifestyles, patterns of higher education, and consumption. The global circulation of capital is at the core of an international bourgeoisie, who operate in oligopolist clusters around the world. These clusters of elites form strategic transnational alliances through mergers and acquisitions with the goal of increased concentration of wealth and capital. The process creates a polyarchy of hegemonic elites. The concentration of wealth and power at this level tends to over-accumulate, leading to speculative investments and wars. The TCC makes efforts to correct and protect its interests through global organizations like the World Bank, the International Monetary Fund, the G20, World Social Forum, Trilateral Commission, Bilderberg Group, Bank for International Settlements, and other transnational associations. Robinson claimed that, within this system, nation-states become little more than population containment zones, and the real power lies with the decision makers who control global capital.[\[21\]](#)

Deeper inside the transnational capitalist class is what David Rothkopf calls the “superclass.” In his 2008 book, *Superclass: The Global Power Elite and the World They Are Making*, Rothkopf argued that the superclass

constitutes 6,000 to 7,000 people, or 0.0001 percent of the world's population.<sup>[22]</sup> They are the Davos-attending, Gulfstream/private jet-flying, money-incrusted, megacorporation-interlocked, policy-building elites of the world, people at the absolute peak of the global power pyramid. They are 94 percent male, predominantly white, and mostly from North America and Europe. Rothkopf reported that these are the people setting the agendas at the G8, G20, NATO, the World Bank, and the WTO. They are from the highest levels of finance capital, transnational corporations, the government, the military, the academy, nongovernmental organizations, spiritual leaders, and other shadow elites. (Shadow elites include, for instance, the deep politics of national security organizations in connection with international drug cartels, who extract 8,000 tons of opium from US war zones annually, then launder \$500 billion through transnational banks, half of which are US-based.)<sup>[23]</sup>

Rothkopf's definition of the superclass emphasized their influence and power. Although there are over 1,500 billionaires in the world, not all are necessarily part of the superclass in terms of influencing global policies. Yet these 1,500 billionaires possess two times as much wealth as the 2.5 billion least wealthy people, and they are fully aware of these vast inequalities. The billionaires inside the TCC are similar to colonial plantation owners. They know they are a small minority with vast resources and power, yet they must continually worry about the unruly exploited masses rising in rebellion. As a result of these class insecurities, the TCC works to protect its structure of concentrated wealth. Protection of capital is the prime reason that NATO countries now account for 85 percent of the world's defense spending, with the US spending more on military than the rest of the world combined.<sup>[24]</sup> Fears of rebellions motivated by inequality and other forms of unrest motivate NATO's global agenda in the war on terror.<sup>[25]</sup>

NATO is quickly emerging as the police force for the transnational capitalist class. As the TCC more fully emerged in the 1980s, coinciding

with the collapse of the Soviet Union, NATO began broader operations. NATO first ventured into the Balkans, where it remains, and then into Afghanistan. NATO started a training mission in Iraq in 2005, has recently conducted operations in Libya, and, as of July 2013, is considering military action in Syria. Superclass use of NATO for its global security is part of an expanding strategy for US military domination around the world, whereby the US/NATO military-industrial-media empire operates in service to the TCC for the protection of international capital anywhere in the world.[\[26\]](#)

The most recent work on the TCC is William K. Carroll's *The Making of a Transnational Capitalist Class* (2010).[\[27\]](#) Carroll's work focused on the consolidation of the transnational corporate-policy networks between 1996 and 2006. He used a database of the boards of directors of the global 500 largest corporations, showing the concentrated interconnectedness of key corporations and a decreasing number of people involved. According to this analysis, the average size of corporate boards has dropped from 20.2 to 14.0 in the ten years of his study. Furthermore, financial organizations are increasingly the center of these networks. Carroll argued that the TCC at the centers of these networks benefit from extensive ties to each other, thus providing both the structural capacity and class consciousness necessary for effective political solidarity.

A 2011 University of Zurich study completed by Stefania Vitali, James B. Glattfelder, and Stefano Battiston at the Swiss Federal Institute of Technology reported that a small group of companies—mainly banks—wields huge power over the global economy.[\[28\]](#) Applying mathematical models—usually used to model natural systems—to the transnational corporations in the world economy, the study found that 147 companies controlled some 40 percent of the world's wealth.[\[29\]](#)